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Arizona Corporation Commission
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December 2, 2008

Mr. Mike Gleason, Chairman
Arizona Corporation Commission
Commissioners Wing
1300 W. Washington, 1st Floor
Phoenix, AZ 85007

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Dear Chairman Gleason:

I write as a concerned citizen and as the President/CEO of the Scottsdale Area Chamber of Commerce, the state's second largest chamber of commerce, representing nearly 2000 businesses in Scottsdale and throughout the valley. The purpose of this letter is to offer strong support for the Arizona Public Service request for a rate adjustment.

In a perfect world, I would be writing to you asking for the lowest prices possible for electricity in order for our businesses to remain competitive, but this is not a perfect world. We are in a pay now or pay far more dearly later scenario. The financial pressures now at work in Arizona and nationally will have a significant affect on APS and its ability to finance its needs going forward. A change of rating, reducing APS paper to a lower status, will ultimately force the cost of credit to unacceptable levels and render it impossible for APS to remain strong and healthy.

For many years, APS has been hamstrung by an inability to recover many of its costs. The current financial crisis makes it impossible for APS to address many of its capital needs, and if for them the cost of money rises as a result of a change of status for their commercial paper, the challenges ahead for all ratepayers could indeed be dire. The company has already reduced staffing levels, put substantial projects on hold in order to reduce capital expenditures and drastically cut operating expenses. They have been doing their part to show strong leadership. Now it is time for the Corporation Commission to do the same.

A small interim rate increase will go a long way to helping APS preserve its rating status and provide much-needed capital to fund important projects that will fuel the way to our energy future. This is not just about preserving APS' ability to address its current needs, but rather it is about helping secure our energy future. Whether it is in new and emerging technologies or the development of Solana, one of the nation's largest solar powered plants, APS has proven its commitment to move beyond the status quo in favor of a better, brighter energy future for Arizona.

COMMITTED TO BUSINESS SUCCESS

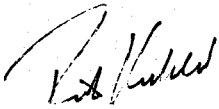
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Our strong utility companies form the backbone of economic development activity in our state. Arizona, for all of its challenges, must continue to attract new business, new jobs, new transplants to buy homes and make Arizona their home. All of that growth upon which our state's economy is based can only occur if the fundamental infrastructure is in place. Our power grid is in fact an economic development tool of the finest kind. We cannot jeopardize our current needs or our future growth by shortsightedness now.

On behalf of the business community, I strongly urge you to support the interim rate increase put forth by APS. Nothing less than the future of our state and long-term economic prosperity depend upon it.

Thank you for your service to the taxpayers and rate payers of Arizona. Thank you also for your fair consideration of this important request made by one of our treasured, homegrown corporations. APS has always worked to improve the lives of Arizonans. It is time that we supported them in their hour of need.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rick Kidder", written in a cursive style.

Rick Kidder
President/CEO